

state of business. world of opportunity.
activity report 2012





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letter from the secretary



Dear Fellow South Carolinians and Partners in Commerce,

With the initiatives of Governor Haley and the dedication of our Commerce team, 2012 was a great year for South Carolina. The South Carolina Department of Commerce supports opportunities for businesses to thrive, whether new or existing, large or small. I consider myself lucky to work with a passionate team of professionals that remains committed to economic development success in South Carolina.

In 2012, South Carolina continued to prove that it is a state of business offering a world of opportunity. We had a great year with the recruitment of more than 14,000 jobs and capital investment totaling \$4 billion. These efforts were seen in the form of 151 projects, of which 72 percent were in manufacturing. As Governor Haley and I have said, we build things in South Carolina and we build them well. We are proud that manufacturing grew substantially.

South Carolina also experienced a state-wide unemployment decrease in 2012, an indication that even in the midst of a challenging economy, our state's business-friendly climate and talented workforce continue to attract investment and create well-paying jobs. This proved especially true in our state's rural areas, where about 21 percent of the labor force resides. More than 27 percent of the jobs Commerce recruited last year were in these counties.



Small business continues to be a vital part of our state's economy. We increased our efforts, in 2012, to provide the best support for South Carolina's small business community by launching a convenient networking resource, scbiznetwork.com.

Another help to small business is the success of large businesses in the state, and in 2012 we announced major deals with companies like BMW, Red Ventures, WNS America and Michelin.

Each of these accomplishments was an important chapter in South Carolina's 2012 success story. And with the progress we made last year, I feel confident that this is only the beginning of the story, one that we are excited to write.

Sincerely,

A handwritten signature in black ink, reading "R M Hitt". The signature is stylized, with the first letters of the first and last names being large and prominent.

Robert M. Hitt, III

progress overview



Total jobs - 14,137



Total capital investment - \$3.992 billion



Total projects - 151



41% new, 59% expansions



72% manufacturing, 28% service



About 21% of the state's labor force resides in non-urban counties, and 27% of the jobs Commerce recruited in 2012 were in these counties.

top 10 announcements



Top 10 Job Announcements

COMPANY	JOBS CREATED	COUNTY
Red Ventures	1000	Lancaster
BMW Manufacturing Co.	1000	Spartanburg
WNS North America Inc.	750	Richland
Shutterfly Inc.	600	York
Ross Stores, Inc.	600	York
Michelin North America, Inc.	400	Anderson
Physicians Choice Laboratory Services, LLC	364	York
SPARC	310	Berkeley
Benefitfocus.com, Inc.	300	Berkeley
AVX Corporation	279	Greenville

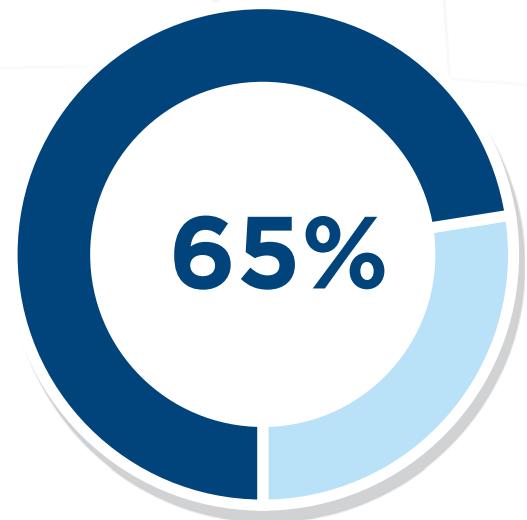
Top 10 Capital Investments

COMPANY	INVESTMENT	COUNTY
BMW Manufacturing Co.	\$900,000,000	Spartanburg
Michelin North America, Inc.	\$750,000,000	Anderson, Lexington
JTEKT Automotive South Carolina Inc.	\$232,000,000	Greenville, Richland
Nexans	\$85,000,000	Berkeley
Uniscite, Inc.	\$70,000,000	Laurens
Albemarle Corporation	\$65,000,000	Orangeburg
Gonvarri Steel Services	\$50,000,000	Union
Drive Automotive Industries of America	\$50,000,000	Greenville
Amazon.com, Inc.	\$50,000,000	Spartanburg
Millard Refrigeration	\$42,000,000	Charleston

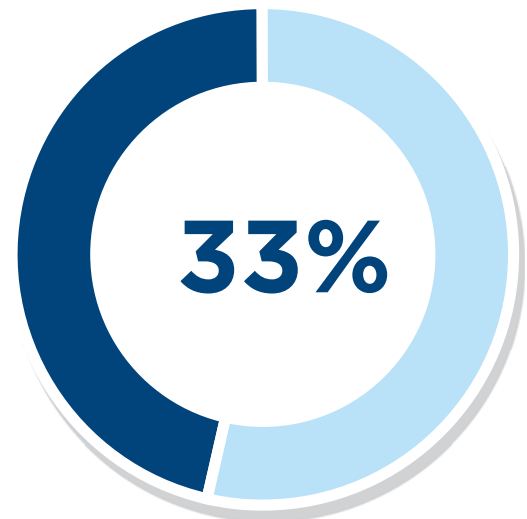
foreign direct investment



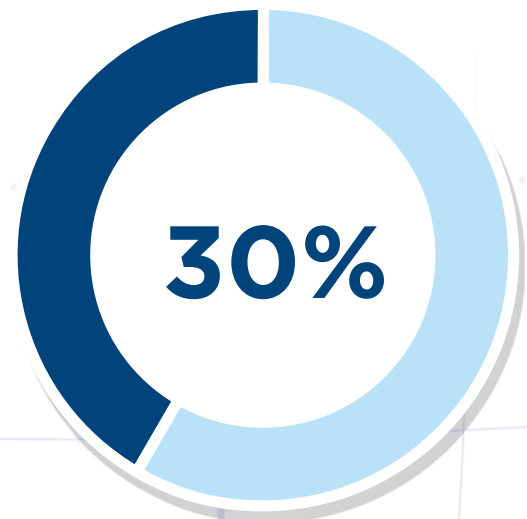
Total FDI capital investment –
\$2.588 billion or



Total FDI jobs –
4,679 or














Total FDI projects –
45 or





Top 10 Countries by Jobs

COUNTRY	CAPITAL INVESTMENT	CI %	JOBS
 GERMANY	\$1,216,596,688	30.5%	2062
 FRANCE	\$700,000,000	17.5%	610
 JAPAN	\$298,600,000	7.5%	452
 INDIA	\$29,591,214	0.7%	446
 UNITED KINGDOM	\$31,016,000	0.8%	307
 CANADA	\$133,900,000	3.4%	297
 MALAYSIA	\$1,200,000	0.0%	160
 REPUBLIC OF KOREA	\$40,000,000	1.0%	102
 SPAIN	\$50,000,000	1.3%	65
 DOMINICAN REP.	\$30,000,000	0.8%	60
FOREIGN TOTAL	\$2,587,803,902	64.8%	4679
 UNITED STATES	\$1,404,179,485	35.2%	9458
GRAND TOTAL	\$3,991,983,387	100.0%	14137

top 12 accomplishments in 2012



1

Manufacturing Renaissance - In 2012, Commerce saw a trend emerging of companies continuing to invest and expand in South Carolina, but hiring less. As the advanced manufacturing industry increases, companies are streamlining their labor force. While investments remained steady from last year in South Carolina, the hiring numbers were slightly down over last year.

Even with this trend, several of South Carolina's industry leaders expanded and created high-quality jobs in the state. Here are some of the top job announcements of 2012: BMW Manufacturing (1,000), Red Ventures (1,000 jobs), WNS North America (750 jobs) and Michelin (400 jobs).

2

International Presence

- Commerce increased international focus and pipeline of international projects. In fact, about 30% of the 2012 projects were international projects.

3

Commerce increased the number of trade missions

in 2012. Commerce and the Governor attended the Farnborough International Air Show and took a trade mission to Japan to attend the Southeastern-United States-Japan (SEUS-Japan) conference.

South Carolina hosted the Southeastern United States-Canada Provinces (SEUS-CP) conference in Myrtle Beach in 2012. The purpose of the SEUS-CP conference is to promote trade and investment opportunities between and amongst its member states and provinces.

4

Increase in Rural Projects - More than 20 percent of South Carolina's labor force lives in rural counties. Commerce's emphasis on specific targets for rural communities has resulted in over 3,800 jobs recruited to rural areas, more than 27% of the jobs announced.

5

Commerce launched first-ever SCBizNetwork.com **small business** online resource.

6

In 2012, Commerce established the **Aerospace Task Force** to position the state for future growth now that we have Boeing as an anchor company. The task force is focused on growing the aerospace supply chain and supporting initiatives to make sure South Carolina has a workforce ready for the industry.

7

Commerce's Research Division wrote the **Economic Impact of the Military Community** in South Carolina on behalf of the S.C. Military Base Task Force. The report was issued in November 2012.

8

Commerce established the **Rural Infrastructure Authority** (RIA), and in November 2012, Bonnie Ammons was named Executive Director. Since inception, RIA has awarded nearly \$3.8 million in grants for 14 water, sewer and drainage projects in 13 counties across the state. These projects will benefit more than 8,000 residents.

9

South Carolina's **exports** reached record levels in 2012, at nearly \$25.3 billion in goods sold to 197 countries around the world. Exports from S.C. jumped 21% in 2011.

In 2012, South Carolina's export growth ranked the state 17th in the U.S. Commerce expects export figures to continue to increase as Boeing has begun to deliver the aircraft made in South Carolina.

10

Commerce partnered with the S.C. Department of Transportation, the State Ports Authority and New Carolina to help launch the **Transportation, Distribution and Logistics (TDL) Council**, which also has strong private sector participation.

Part of the mission of the group is to get South Carolina ready for the **Panama Canal expansion**, with a world-class port that will hold the big ships that move product.

11

One of the primary focuses of Commerce is workforce development and in 2012, great efforts were made to support the labor force in the state. Commerce engaged with the Governor and other agencies to support **Work Ready Communities**, an initiative designed to match qualified workers with particular jobs within companies.

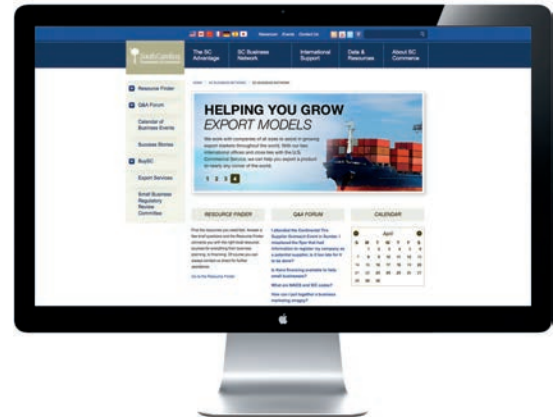
12

Dual Rail Settlement - Commerce settled the dual rail dispute with the City of North Charleston. In a win-win for South Carolina and the City of North Charleston in December 2012, the City of North Charleston and the Budget and Control Board approved a settlement among the South Carolina Department of Commerce, its Division of Public Railways and the City of North Charleston. The resolution ends all pending litigation among the parties, as well as the State Ports Authority. Commerce Secretary Bobby Hitt and North Charleston Mayor Keith Summey negotiated a deal that enables South Carolina to offer equal dual rail access to the Port of Charleston through an intermodal rail yard that will be located strategically on the former Charleston Naval Base while protecting the neighboring communities.

small business support



» The first of its kind, www.SCBizNetwork.com was created to help small businesses find the customized information and assistance they need. The site is available 24 hours per day, and it attracted 23,719 web visits in the first 10 months.



» Four supplier outreach events were held providing 738 businesses with the opportunity to explore contracts with some of our larger industrial entities.

» These outreach events are part of the re- designed BuySC supplier development initiative. BuySC participation increased 108% from 2011 to 2012. As of December 2012, BuySC had 269 businesses registered.





» To address small business financing issues, and in cooperation with allies, Commerce crafted a Lender Matchmaker forum. Lenders and small business owners gathered for day-long events with the goal of successfully matching small businesses with financial institutions. 160 small businesses met with 132 lenders for specific matchmaking opportunities.

» The Small Business Development Office provided one-on-one counsel and resource direction to 595 direct business inquiries in 2012. 315 of these inquiries were introduced to new business opportunities, and 150 small businesses were introduced to further financing options and assistance.

» *For the second year in a row, the U.S. Small Business Administration awarded Commerce a State Trade and Export Promotion (STEP) grant to help small businesses in South Carolina seize export opportunities. <http://sccommerce.com/news/press-releases/sc-department-commerce-awarded-grant-further-exports-second-year>*

export overview



- » Ranked 1st in exports of new tires, holding nearly 30% of the share of U.S. made exported tires.
- » Ranked 2nd in automobile exports.
- » Ranked 1st in exports of gas turbines over 5000 KW and 2nd in exports of **all** gas turbines.
- » South Carolina's 2012 exports totaled more than \$25.3 billion in goods sold to 197 countries around the world.
- » Figures represent a 2.2 percent increase over 2011.

2012 S.C. export rankings among states



- » The state's top 10 export industries last year were vehicles, machinery, rubber products, electrical machinery, plastics, opticals and medical instruments, paper products, organic chemicals, wood pulp and cotton, and yarn and fabric.
- » The top three export markets were Canada with nearly \$4 billion in products purchased, Germany with more than \$3.7 billion in products, and China with more than \$3 billion in products.
- » [Ranked only behind](#) California in exports to Germany.

community development block grants



CDBG awarded \$21.3 million to assist with community development, economic development and revitalization projects that will benefit more than 99,000 residents of 58 communities.



» To learn more about the CDBG program, visit www.cdbgsc.com.

“The CDBG program consistently has a positive impact on communities across our state that are missing resources for community development. These resources not only help improve residents’ quality of life but also create a competitive environment for bringing jobs and investment.

”
- Bobby Hitt,
Secretary of
Commerce



education and workforce development



The South Carolina Economic Development Institute, presented by S.C. Department of Commerce is South Carolina's leading economic development education program.



Program has now seen 898 graduates.



Commerce also offers Economic Development 101, tailored for community needs upon request.



South Carolina has a world-class Technical College System



provides customized training solutions to companies creating new jobs in the state through relocation or expansion.



These services are at no cost to qualified companies.



More than a quarter million workers have been trained for more than 2,000 companies since the program's inception.



monster.com



BOSCH



BRIDGESTONE
Firestone



S.C. workforce advantage

- » The state's fast-growing labor force regularly outpaces national growth.
- » S.C. has the lowest unionization rate in the U.S. for private sector.
- » S.C. ranks 3rd lowest for manufacturing unionization, 1.9%.
- » S.C. has one of the lowest work stoppage rates in the U.S. with minimal working time lost due to strikes in manufacturing and non-manufacturing industries combined.



K-12 programs like Personal Pathways to Success provide a seamless pathway to education success

- » 99% of students have Individual Graduation Plans with a Cluster of Study tied to career goals.
- » 27,000 students in At Risk programs had a success rate of 98%.



Work Ready Communities

- » S.C. was chosen as one of the four states to participate in this national initiative linking education and workforce development to the economic needs of the state.



» Apprenticeship Carolina

- » Since 2007, the number of apprentices has increased 468% and we now have over 4,400.
- » This program works to ensure all employers in South Carolina have access to the information and technical assistance they need to create demand-driven, registered apprentices.

» S.C.'s Endowed Chairs SmartState Program helps commercialize research for jobs in South Carolina.

» S.C. connects adults to education and training.

- » Over 185,000 have earned WorkKeys Career Readiness Certificates – second in the U.S. behind Georgia.

S.C. awards & accolades



Area Development's 2012 Gold Shovel Award Winner

The Gold Shovel award is based on the number of high-value added jobs per capita, amount of investment, number of new facilities and industry diversity. South Carolina was also a Gold Shovel Award recipient in 2011 and a Silver Shovel Award recipient in 2009 and 2010.



Area Development's 2012 Top States for Doing Business

S.C. was ranked 2nd in the nation as a place to do business based on 14 key site selection criteria in three general categories - business environment, infrastructure and labor climate. When asked to identify the 10 most attractive states for business, South Carolina was the site consultants' 2nd choice for overall business climate.



Area Development's Project of the Year award

S.C. received this prestigious award for work on the Continental Tire the Americas LLC project. In 2011, Continental Tire announced plans to build a new tire manufacturing plant in Sumter County as well as expand its corporate headquarters in Lancaster County, together representing a \$500 million investment and creating 1,700 jobs in the state.



Business Facilities' State Rankings

S.C. captured five of the Top 10 spots, ranking 7th for Best Business Climate, 3rd in Automotive Manufacturing Strength, 6th as an Emerging Biotech Hub and 8th for both Workforce Training and Lowest Labor Cost.



Business Facilities' 2012 Deal of the Year competition

S.C. was named runner up for the 2012 State of the Year designation. Bridgestone Americas' \$1.2 billion off-road radial tire plant in Aiken County which marked the largest single initial capital investment in state history also received an honorable mention in the magazine's 2012 Economic Development Deal of the Year competition.

Chief Executive

Chief Executive annual poll of CEOs

S.C. came in as one of the ten best states for business on the magazine's annual poll, ranking 7th. Approximately 650 business leaders rated states on taxation and regulation, workforce quality and quality of life.



Trade and Industry Development 2012 Corporate Investment & Community Impact Awards

Two projects recruited by the S.C. Department of Commerce, in conjunction with local economic development allies, were among the magazine's 2012 Corporate Investment and Community Impact (CiCi) Award winners.



Site Selection's Top State Business Climates -

S.C. took the 9th spot overall and placed 5th in the magazine's survey of corporate real estate executives. Corporate executives have ranked S.C. in the top 10 for the past nine years. The magazine's New Plant Database showed that S.C. had the 3rd most new projects between January and August 2012.



Forbes ranks S.C. 5th best in 2012 for its pro-business regulatory environment

The ranking is based on the state's labor regulations, health insurance coverage mandates, the tort system, tax incentives and other measures.



fDi Magazine's Inaugural Governor's Awards

S.C. and Gov. Nikki Haley received high ratings for recruiting foreign direct investment. The *fDi* judging panel placed Governor Haley among the top ten Governors in the nation, placing her in the 3rd spot in the overall rankings and 5th for best strategy. S.C. was ranked 6th among states for its recruitment of FDI. The *fDi* Governor's Awards are based on greenfield FDI data recorded by *fDi* Markets, including project numbers per capita, job creation and capital investment.

“It's exciting to see our state recognized again with this award for economic development. South Carolina has built a reputation for having a business-friendly climate and a talented workforce, and these and other factors have certainly played a role in landing the large deals we've seen over the past few years.”

- Gov. Nikki Haley. (on Gold Shovel Award)



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